

AMENDMENTS TO THE CLAIMS

This Listing of Claims will replace all prior versions, and listings, of claims in the application:

Listing of Claims:

1. (Previously Presented) A method for performing a financial transaction with a counterparty and an investor, the method comprising the steps of:
issuing to the investor a convertible security providing a first potential financial benefit;
and
establishing a call spread with the counterparty, comprising the steps of:
 buying from the counterparty a first call option having a second potential financial benefit that is based upon and is the same as the first potential financial benefit; and
 selling to the counterparty a second call option with a higher strike price than the first call option that when exercised provides a third potential financial benefit different from the second potential financial benefit.
2. (Previously Presented) The method of claim 1, wherein the convertible security is issued by an issuer, the first call option is purchased by the issuer, and the second call option comprises a warrant issued by the issuer.
3. (Previously Presented) The method of claim 1, wherein the first potential financial benefit comprises a first predetermined number of units of an underlying security into which the convertible security can be converted.
4. (Previously Presented) The method of claim 3, wherein the first call option comprises an option to purchase the first predetermined number of units of the underlying security.
5. (Previously Presented) The method of claim 3, wherein the second call option comprises an option to purchase a second predetermined number of units of the underlying security that is different from the first predetermined number.

6. (Previously Presented) The method of claim 1, wherein the convertible security is issued at a first price.

7. (Previously Presented) The method of claim 6, wherein the first call option when exercised requires a payment of the first price.

8. (Previously Presented) The method of claim 7, wherein the second call option when exercised requires a payment of a second price higher than the first price.

9. (Previously Presented) The method of claim 1, wherein the convertible security comprises a convertible note or a convertible bond.

10. (Previously Presented) The method of claim 1, wherein the first call option is purchased by an issuer of the convertible security from a counterparty, and the second call option is a warrant sold by the issuer to the counterparty.

11. (Previously Presented) The method of claim 1, wherein the difference between the first call option and the second call option constitutes a call spread.

12. (Previously Presented) A method for issuing a financial instrument comprising a convertible security, a first call option, and a second call option, the method comprising the steps of:

issuing a convertible security from an issuer to an investor having a first potential financial benefit;

issuing a first call option from a first counterparty to the issuer having a second potential financial benefit that is based upon and is the same as the first potential financial benefit; and

issuing a second call option from the issuer to either the first counterparty or a second counterparty that when exercised provides a third potential financial benefit different from the second potential financial benefit.

13. (Previously Presented) The method of claim 12, wherein:
the first call option is purchased by the issuer; and
the second call option is issued as a warrant by the issuer.
14. (Original) The method of claim 12, wherein the first potential financial benefit comprises a first predetermined number of units of an underlying security into which the convertible security can be converted.
15. (Previously Presented) The method of claim 14, wherein issuing a first call option comprises:
providing an option to purchase the first predetermined number of units of the underlying security.
16. (Previously Presented) The method of claim 14, wherein issuing a second call option comprises:
providing an option to purchase a second predetermined number of units of the underlying security that is different from the first predetermined number.
17. (Previously Presented) The method of claim 12, wherein the convertible security is issued at a first price.
18. (Original) The method of claim 17, wherein first call option when exercised requires a payment of the first price.
19. (Original) The method of claim 18, wherein the second call option when exercised requires a payment of a second price higher than the first price.
20. (Original) The method of claim 12, wherein the convertible security comprises a convertible note or a convertible bond.

21. (Previously Presented) The method of claim 12, wherein the second call option is issued as a warrant to the counterparty.

22. (Previously Presented) The method of claim 12, wherein the difference between the first call option and the second call option constitutes a call spread.

23. (Previously Presented) The method of claim 1, wherein the first call option is purchased by an issuer of the convertible security from a first counterparty, and the second call option is a warrant sold by the issuer to second counterparty different than the first counterparty.

24. (Previously Presented) The method of claim 12, wherein the first call option is issued by the first counterparty; and the second call option is sold as a warrant to the second counterparty.

25. (Previously Presented) The method of claim 1, wherein:
the convertible security is convertible into a first predetermined number of units of an underlying security;

the first call option is exercisable to purchase a second predetermined number of units of the underlying security upon the occurrence of a first predetermined event, wherein the first predetermined number of units of an underlying security is equal to the second predetermined number of units of an underlying security; and

the second call option exercisable to purchase a third predetermined number of units of the underlying security upon the occurrence of a second predetermined event, wherein the first predetermined number of units of an underlying security is different from the third predetermined number of units of an underlying security.

26. (Previously Presented) The method of claim 1, wherein the first potential financial benefit, second potential financial benefit, or third potential financial benefit is a predetermined number of units of an underlying security.

27. (Previously Presented) The method of claim 1, wherein:
a conversion price of the first call option is the same as a conversion price of the convertible security;
an original issue discount of the convertible security equals the amount of a premium for the lower-strike call option; and
the original issue discount is deductible as an interest expense amortized on a constant yield to maturity basis over the life of the convertible security.

28. (Previously Presented) A method for performing a financial transaction with a convertible security, a first call option, and a second call option, the financial transaction being between an issuer, a first counterparty, a second counterparty, and an investor, the method comprising the steps of:

issuing from the issuer to the investor the convertible security providing a first potential financial benefit, wherein the convertible security is convertible into a first predetermined number of units of an underlying security; and

buying by an issuer from the first counterparty, with at least a portion of the proceeds from the issuance of the convertible security, the first call option having a second potential financial benefit that is based upon and is the same as the first potential financial benefit, wherein the first call option is exercisable to purchase a second predetermined number of units of the underlying security upon the occurrence of a first predetermined event; and

selling by an issuer, simultaneous to the buying of the first call option, to the second counterparty the second call option with a higher strike price than the first call option that when exercised provides a third potential financial benefit different from the second potential financial benefit, wherein the second call option exercisable to purchase a third predetermined number of units of the underlying security upon the occurrence of a second predetermined event.

29. (Previously Presented) The method of claim 28, wherein the second call option is a warrant.

30. (Previously Presented) The method of claim 28, wherein the first counterparty is the second counterparty.